



Department of Justice

United States Attorney McGregor W. Scott
Eastern District of California

FOR IMMEDIATE RELEASE
Monday, April 28, 2008
www.usdoj.gov/usao/cae
Docket #: 07-cr-386

CONTACT: Lauren Horwood
PHONE: (916) 554-2706
lauren.horwood@usdoj.gov

STOCKTON MAN PLEADS GUILTY IN MORTGAGE FRAUD SCHEME

Fourth Defendant to Plead Guilty

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced today that IFTIKHAR AHMAD, 36, of Stockton, Calif., pleaded guilty before United States District Court Judge William B. Shubb to two counts of mail fraud and one count of engaging in monetary transactions involving criminally derived property. The charges relate to a widespread mortgage fraud scheme centered in the Stockton area.

The case is the product of an extensive investigation conducted by the Federal Bureau of Investigation and the Internal Revenue Service—Criminal Investigation (IRS-CI). The investigation remains ongoing.

According to Assistant United States Attorneys Benjamin B. Wagner and Courtney J. Linn, who are prosecuting the case, AHMAD admitted that from July 2003 through October 2005, he participated in a scheme to defraud Long Beach Mortgage, a wholesale lender, in connection with the sale (and in one instance resale) of 10 residential real properties primarily located in the Stockton, area. Between July 2003 and January 2005, AHMAD, through a company called I & R Investment Properties, LLC, fraudulently sold (and in one instance resold) 10 residential real properties, obtaining in excess of \$1.5 million in loan proceeds. In each of the transactions, the purchaser financed the property with money borrowed from Long Beach Mortgage. The scheme involved the use of some straw purchasers— purchasers who lent their

name and credit to real estate transactions in which they in fact had no interest. The scheme also involved false statements on loan documents, including those that related to income and occupation, and undisclosed payments by AHMAD of the down payment on behalf of the purchasers.

AHMAD is the fourth defendant to plead guilty as a result of the investigation in the case.

On December 17, 2007, JOHN NGO, 27, of San Ramon, California, a former Senior Loan Coordinator for Long Beach Mortgage, pleaded guilty to perjury for falsely stating in testimony before the grand jury that he had not received money from a mortgage broker who referred borrowers to Long Beach Mortgage, including borrowers involved in transactions with AHMAD, when in fact he had received more than \$100,000 from the mortgage broker.

On March 31, 2008, MANPREET SINGH, 24, of Stockton, entered a guilty plea to a single count of mail fraud. She admitted as part of her plea that she had participated as a straw purchaser and borrower in connection with two properties that she purchased from I & R Investments in late 2004 and early 2005. She further admitted that AHMAD paid her in excess of \$22,300 for her participation in the scheme.

On April 17, 2008, JOSE SERRANO, 44, of Stockton pleaded guilty to a single count of mail fraud. As part of his plea, SERRANO admitted that AHMAD had paid SERRANO to recruit straw purchasers, and that AHMAD and SERRANO caused several purchasers to be paid for participating in the scheme.

“This prosecution begins to bring into focus the ways that fraud occurred in the subprime lending market in the Stockton area in the 2003 to 2005 time frame,” said United States Attorney Scott. “False representations were made in loan documents; down payments were secretly made

by the seller on behalf of borrowers; buyers and recruiters were paid to participate in the scheme; and a loan coordinator working for a wholesale subprime lender was paid by a mortgage broker handling the transactions. The investigation continues.”

MANPREET SINGH’s sentencing date is currently set for June 9, 2008; JOHN NGO, JOSE SERRANO and IFTIKHAR AHMAD’s sentencing dates are set for July 14, 2008.

#